

May 20, 2004

**NOTICE OF RECONSIDERATION
OF JUST AND REASONABLE DETERMINATION
(California Code of Regulations Title 23 Section 510 *et seq.*)**

The California Department of Water Resources ("the Department" or "DWR") hereby provides notice that it will reconsider the just and reasonable determination made in connection with its "Determination of Revenue Requirements For the Period January 1, 2003 Through December 31, 2003 With Reexamination and Redetermination For the Period January 17, 2001 Through December 31, 2002", which was issued on August 16, 2002.

On January 27, 2004, the Superior Court of California for the County of Sacramento issued a Peremptory Writ of Mandate requiring DWR to (1) set aside the August 16, 2002 just and reasonable determination; (2) reconsider its just and reasonable determination in accordance with the Court's December 26, 2003 Ruling and (3) conduct further proceedings in accordance with California Code of Regulations Title 23 Section 510 *et seq.* Copies of the Court's Peremptory Writ of Mandate and December 26, 2003 Ruling are attached to this notice. DWR intends to reconsider its August 16, 2002 just and reasonable determination for all of the periods covered thereby. DWR intends to rely on the entire administrative record supporting the August 16, 2002 determination, this notice and any comments received in response to this notice. Actual results of operations for DWR's power purchase program during calendar years 2001, 2002, and 2003 will also be made a part of the record. A copy of the entire administrative record and the actual results of operations for DWR's power purchase program during calendar years 2001, 2002, and 2003 are available for review at the California Energy Resources Scheduling Division ("CERS") of DWR, which is located at 3310 El Camino Avenue in Sacramento, California.

DWR will consider comments only if the comments satisfy the requirements of section 515 of title 23 of the California Code of Regulations, which are summarized below.

This notice of reconsideration is being provided via electronic mail to those persons who received the original notice of the Department's Proposed Determination of Revenue Requirements for 2003 by electronic mail and by U.S. Mail to every person who has filed a request for notice. This notice is also posted on the Department's web site (www.water.ca.gov).

To be considered, comments with respect to this reconsideration must be received at either of the following addresses by 5:00 P.M. on June 11, 2004:

Mailing address: Department of Water Resources
California Energy Resources Scheduling Division
3310 El Camino Avenue, Suite 120
Sacramento, CA 95821-9001
Attention: Jeannie S. Lee, Esq.

E-mail address: jslee@water.ca.gov

Comments must satisfy the following requirements, as specified in Section 515 of Title 23 of the California Code of Regulations:

A comment must be in typewritten form and must be clear and permanently legible.

A comment must identify the determination that is the subject of the comment by referencing the deadline for submitting comments.

A comment must be signed. Comments submitted on behalf of a business or organization must be signed by a person authorized to comment on behalf of the business or organization, must include the name and title of the signatory, the date of signing, the signatory's business address, and the signatory's business telephone number. Comments submitted through electronic mail will be considered by DWR only if an original, signed copy of the comment is received by DWR within three working days after the receipt of the electronic-mail comment.

A signature on submitted testimony certifies that the signer has read the document and knows its contents; that to the signer's best knowledge, information, and belief, formed after diligent inquiry, the facts are true as stated; that any legal contentions are warranted by existing law or a good faith argument for the extension, modification, or reversal of existing law; that the testimony is not tendered for any improper purpose; and that the signer has full power and authority to sign the document.

No documents or records submitted as testimony which purport to be statements of fact shall be considered by DWR unless the documents or records have been certified under penalty of perjury by the person preparing or in charge of preparing them as being true and correct.